



## TRADE MARKS ACT 1995

### DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS WITH REASONS

Re: Opposition by George Karounos as trustee for the RFC Trust to registration of trade mark application 776785(30) - **KRAFT MAYO REAL MAYONNAISE AND DEVICE** - filed in the name of Kraft Foods Limited.

#### **Background**

Kraft Foods Limited (the applicant) filed application 776785 in class 30 of the *International Classification of Goods and Services* (Nice classification) on 29 October 1998 in respect of 'mayonnaise'. A representation of the trade mark for which the application has been made is shown below.



The application was accepted for registration without objection from the Trade Marks Office (TMO) and advertised as accepted for registration in the *Australian Official Journal of Trade Marks* (the Journal) of 4 March 1999.

George Karounos as trustee for the RFC Trust (the opponent) filed a notice of opposition after requesting and being granted an extension of time in which to do so. The opponent served and filed evidence in support of the opposition by 17 August 2000. The applicant requested extensions of time that concluded on 17 November 2001 in which to serve the evidence in answer. Although these requests were granted no evidence was served or filed by the applicant. Both parties were offered an opportunity to be heard in the matter but declined the offer and it has now been

referred to me, as a delegate of the Registrar, for a decision based on the written material held in this Office.

The opponent has recently been engaged in Court action with two other parties not specifically involved in the present opposition, concerning two registered trade marks. These marks are numbers 649760 (for the word **REAL**) and 649764 (a composite mark for the words **REAL FISH'N CHIPS** with device). As a result of that Court action, the trade mark **REAL** has been cancelled, *Unilever Australia Limited v Karounos* [2001] FCA 1132, and **REAL FISH'N CHIPS** with device has suffered a restriction to the scope of the goods and services for which it is registered, *Unilever Australia Limited v Karounos* [2001] FCA 1717.

### **The Evidence**

The opponent's evidence in support of its opposition consists of two declarations. The first is from Pascale Quester, Associate Professor in Marketing at the University of Adelaide, dated 19 June 2000 and contains exhibits 'PQ1' to 'PQ3' inclusive (Quester declaration). The second declaration, from George Karounos, Business Consultant and the trustee of the RFC Trust, is dated 7 August 2000 and contains exhibits 'A' to 'T' inclusive (Karounos declaration).

The applicant chose not to respond to this evidence by means of any evidence in answer but did provide written submissions to argue the merits of its case.

### **Discussion**

The opponent's notice of opposition lists ten grounds of opposition. Some of these claims amount to a duplication of grounds set out under a particular section of the Act. The following sections of the Act are either specifically claimed as grounds or cover the claim made by the opponent:- ss.41, 42, 43, 44, 58, 59 and 60. Some of the claims in the notice would also appear to fall under ss.52 and 53 of the *Trade Practices Act 1974* (TPA).

I note that much of the Karounos declaration sets out the claims and counter-claims that were exchanged between the parties before the **REAL** and **REAL FISH'N CHIPS** Court judgements. Now that the Courts have decided that the **REAL** trade mark be cancelled and the **REAL FISH'N CHIPS** trade mark be restricted in the scope of its goods and services for which it is registered, the value of this material to support the argument of the opponent takes on a fresh perspective.

Nothing in the opponent's evidence provides a basis for a detailed investigation of those grounds of opposition claimed under ss.42, 43 or 59 of the Act or for that matter those claimed under ss.52 or 53 of the TPA. Thus, in relation to those grounds I find that the opposition has not been established. The remaining grounds claimed by the opponent are those involving ss.41, 44, 58 and 60 of the Act. I now turn to those grounds in that order.

***(a) Section 41 - Trade mark not distinguishing applicant's goods or services***

As far as the legislation is relevant in the present case it allows:

**41.(1) ...**

**(2)** An application for the registration of a trade mark must be rejected if the trade mark is not capable of distinguishing the applicant's goods or services in respect of which the trade mark is sought to be registered (***designated goods or services***) from the goods or services of other persons.

Note: For *goods of a person* and *services of a person* see section 6.

**(3)** In deciding the question whether or not a trade mark is capable of distinguishing the designated goods or services from the goods or services of other persons, the Registrar must first take into account the extent to which the trade mark is inherently adapted to distinguish the designated goods or services from the goods or services of other persons.

The Quester declaration outlines the opponent's position in relation to s.41. Ms Quester is an Associate Professor in Marketing at Adelaide University. In her declaration Ms Quester provides her expert opinion concerning what constitutes a brand and a sub-brand within the applicant's **KRAFT MAYO REAL MAYONNAISE** with device trade mark. Ms Quester provides commentary on a number of concepts concerning trade marks insofar as marketing is concerned. This material goes towards assessing what constitutes a 'good' brand, brand recognition, brand loyalty, the usefulness of trade marks for consumers and for producers, and discusses such concepts as brand equity, family brands, sub-brands and also looks at general principles in selecting a beneficial trade mark. Ms Quester goes on to provide an opinion on whether the mark "Kraft Mayo Real Mayonnaise" fulfills the criteria for a 'good' trade mark as she had set out in her earlier paragraphs. I have little doubt that from Ms Quester's experience her commentary on 'good' brands offers sound advice from a marketing perspective. However, the assessment that must be made in terms of this opposition action falls squarely under the *Trade Marks Act 1995*. In terms of s.41, I must decide whether or not the trade mark as a whole is 'capable of distinguishing' the goods of the applicant from those of other traders - rather than whether or not the trade mark is a valuable business asset.

The test that I must apply to assess the 'inherent adaptability to distinguish the applicant's goods' that the mark possesses, in terms of s.41, is to be found in *Clark Equipment Company v Registrar of Trade Marks* (1964) 111 CLR 511 at 514 where Kitto J comments:

.... the question whether a mark is adapted to distinguish be tested by reference to the likelihood that other persons, trading in goods of the relevant kind and being actuated only by proper motives - in the exercise, that is to say, of the common right of the public to make honest use of words forming part of the common heritage, for the sake of the signification which they ordinarily possess - will think of the word and want to use it in connexion with similar goods in any manner which would infringe a registered trade mark granted in respect of it.

It is not a requirement that a trade mark be entirely unsuggestive of the goods or services for which registration is sought nor even that parts of the mark may not be entirely descriptive - the test is that the mark *as a whole* be 'capable of distinguishing' the applicant's goods or services. I note that Ms Quester comments for the present mark that KRAFT is an 'umbrella brand' and then puts forth various hypotheses concerning the applicant's future use or uses of MAYO and REAL as sub-brands. Ms Quester's argument, as I understand it, is that such a strategy of sub-branding should not be condoned or assisted by the granting of registration of the present mark.

Whatever the future plans of the applicant, I must make an assessment concerning the present mark - **KRAFT MAYO REAL MAYONNAISE** and device. Even if I accept that MAYO is a colloquial abbreviation for 'mayonnaise' [as listed by the *Oxford English Dictionary, Second Edition*] and that REAL MAYONNAISE is entirely descriptive of 'genuine' or 'natural' mayonnaise, I believe that the trade mark, as a whole is still registrable. The word KRAFT is not a word that other traders 'actuated only by proper motives' would think of and want to use in connection with their similar goods. This mark as a whole - which contains the word KRAFT, the various device elements and the aspects of get-up in the trade mark - provides sufficient indicators to find that the mark is 'capable of distinguishing' the applicant's goods from those of other traders, even allowing for the worst case scenario that MAYO and REAL MAYONNAISE are entirely descriptive of the goods.

From the foregoing, I find that the trade mark is 'capable of distinguishing' the applicant's goods in terms of s.41 and that, therefore, this ground of opposition is not successful.

**(b) Section 44 - Identical etc. trade marks**

In terms of this opposition matter the legislation relevantly allows:

**44.(1)** Subject to subsections (3) and (4), an application for the registration of a trade mark (*applicant's trade mark*) in respect of goods (*applicant's goods*) must be rejected if:

(a) the applicant's trade mark is substantially identical with, or deceptively similar to:

(i) a trade mark registered by another person in respect of similar goods or closely related services; or

(ii) a trade mark whose registration in respect of similar goods or closely related services is being sought by another person; and

(b) the priority date for the registration of the applicant's trade mark in respect of the applicant's goods is not earlier than the priority date for the registration of the other trade mark in respect of the similar goods or closely related services.

Note 1: For *deceptively similar* see section 10.

Note 2: For *similar goods* see subsection 14(1).

Note 3: For *priority date* see section 12.

In order to establish a successful opposition under this ground, the opponent must be able to point to a substantially identical or deceptively similar trade mark that also fulfills the other requirements of s.44(1) - viz., similarity of goods and an earlier priority date.

The opponent's evidence identifies two trade marks that it claims support this allegation. These are trade marks numbered 649760 and 649764. The first of these is for the word **REAL**. The notice of opposition for the present mark was filed on 3 September 1999. During the course of this opposition trade Order Number NG 732 of 1998 of the Federal Court of Australia has canceled mark 649760. The status was changed to 'cancelled' on 27 September 2001. Thus, insofar as s.44 is concerned this mark cannot be considered.

The second trade mark on which the opponent seeks to rely is for the composite mark depicted below.



This mark is registered in class 29 in respect of 'fish' and in class 42 in respect of 'fish and chips'. I now reproduce the applicant's mark for purposes of comparison.



Even from the standpoint of a casual matching up of these marks I am not prepared to entertain the idea that they could be substantially identical or deceptively similar, either visually or aurally. The one common element, being the descriptive word REAL, is far outweighed by the many obvious differences in both marks.

This being the case, I find that the s.44 ground of opposition has not been established.

***(c) Section 58 - Applicant not owner of trade mark***

Here the legislation allows:

**58.** The registration of a trade mark may be opposed on the ground that the applicant is not the owner of the trade mark.

Note: For *applicant* see section 6.

To succeed under this ground the opponent must again be able to point to a trade mark that is shown to enjoy rights prior to the applicant's mark. This time, however, it is not necessary that the mark be registered (or even that a pending application is on foot) but it must be a mark that is either identical, or at least substantially identical, with the mark applied for.

On this point I refer to Justice Gummow's comments in *Carnival Cruise Lines Inc. v Sitmar Cruises Ltd*, 31 IPR 375, at 391 [when referring to *The Shell Co of Australia Ltd v Rohm and Haas Co* (1949) 78 CLR 601]:

When the decision is understood in this way, it does not supply any general authority for the proposition that in the case of disputed claims to proprietorship under the present statute anything less than substantial identity between the two marks will suffice. The phrase "substantially identical" as it appears in s 62 (which is concerned with infringement) was discussed by Windeyer J in *The Shell Co of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1963) 109 CLR 407 at 414. It requires a total impression of similarity to emerge from a comparison between the two marks.

In the present matter, the opponent has directed my attention to two marks that it said conflicted with the mark applied for - **REAL** and **REAL FISH'N CHIPS** with

device. As I have already stated above concerning s.44, I do not accept that **REAL FISH'N CHIPS** with device is substantially identical with the **KRAFT MAYO REAL MAYONNAISSE** with device trade mark. Similarly, I believe that the **REAL** trade mark, on a side by side comparison with the present mark (*Shell v Esso*, supra, at 414), has a great many differences that clearly outweigh any similarities. In my opinion, this does not constitute a 'total impression of similarity'. Thus, I find that the opponent has not directed me to any trade mark that is substantially identical with the mark applied for.

Therefore, I find that the s.58 ground of opposition has not been made out.

***(d) Section 60 - Trade mark similar to trade mark that has acquired a reputation in Australia***

For this opposition ground, the legislation allows:

**60.** The registration of a trade mark in respect of particular goods or services may be opposed on the ground that:

- (a) it is substantially identical with, or deceptively similar to, a trade mark that, before the priority date for the registration of the first-mentioned trade mark in respect of those goods or services, had acquired a reputation in Australia; and
- (b) because of the reputation of that other trade mark, the use of the first-mentioned trade mark would be likely to deceive or cause confusion.

Note 1: For *deceptively similar* see section 10.

Note 2: For *priority date* see section 12.

Once again, to succeed the opponent must be able to nominate a trade mark with which the mark applied for is either substantially identical or deceptively similar. In terms of s.60 the mark (or marks) relied on by the opponent need not be on the Register, but it (or they) must have acquired a sufficient reputation that use of the applicant's mark in the face of that reputation would be likely to deceive or cause confusion.

The two marks relied on by the opponent, **REAL** and **REAL FISH'N CHIPS** with device, have not been shown, in the opponent's evidence, to have acquired any significant level of reputation to trigger s.60. In fact, the Courts have decided to the contrary. Although the **REAL** trade mark (number 649760) was cancelled from the Register because Justice Hill found that it did not meet the requirements of s.41 of the Act, even had it met those requirements, it would have been removed because it had not been used (*Unilever v Karounos*, [2001] FCA 1132, supra, at paragraphs 66 to 68). The other mark relied on by the opponent, **REAL FISH'N CHIPS** and device

(number 649764) suffered a not dissimilar fate. The registration was removed in respect of goods and services in classes 16, 30 and 35, and had the specification severely limited in classes 29 and 42 for reason of non-use (*Unilever v Karounos*, [2001] FCA 1717, *supra*, at paragraph 27. The evidence of use presented to the Court for these two matters was found to be barely sufficient to enable **REAL FISH'N CHIPS** to remain on the Register for a very limited specification.

In corresponding manner, the evidence submitted for this opposition does not indicate any use of the latter mark, which would go toward establishing a reputation that could cause any level of deception or confusion amongst a substantial number of persons if the applicant uses the present mark.

Thus, from the foregoing, I find that the opposition in terms of s.60 has not been established.

### **Conclusion**

I have found that none of the grounds on which this opposition was brought have been established. Thus, as the delegate of the Registrar in this matter, I dismiss this opposition and direct that, on payment of the registration fee, trade mark application number 776785 may proceed to registration 30 days from the date of this decision. If the Registrar has been served with a notice of appeal before that time, I direct that registration shall not occur until the appeal has been decided or discontinued.

### **Costs**

In written submissions filed on behalf of the applicant Ms Anne Makrigiorgos of Griffith Hack's Melbourne office has requested its costs. Insofar as Schedule 8 of the *Trade Marks Regulations 1995* applies where a formal hearing is not held, I award costs against the opponent in this matter, George Karounos as trustee for the RFC Trust.

Don Nancarrow  
Hearings Officer  
Trade Marks Hearings  
12 March 2002